

Message Text

CONFIDENTIAL

PAGE 01 STATE 209398
ORIGIN COME-00

INFO OCT-01 AF-10 ISO-00 EB-08 OPIC-03 CIAE-00 INR-10
NSAE-00 L-03 EA-10 SP-02 SSO-00 INRE-00 /047 R

DRAFTED BY COM/OED/MEPD:JPHILBRICK:HMN
APPROVED BY AF/W:TWMSMITH
COM/OED/MEPD:LENGLESON
COM/OIM:HZASSENHAUS(INFO)
AF/EPG:WGALLAGHER
EB/OCA:WRAU
AF/W:RJKOTT

-----006758 172242Z /73

O 172150Z AUG 78
FM SECSTATE WASHDC
TO AMEMBASSY LAGOS IMMEDIATE

C O N F I D E N T I A L STATE 209398

E.O. 11652: GDS

TAGS: BENC, NI

SUBJECT: MAJOR PROJECT: WESTERN ELECTRIC INTERNATIONAL'S
BID TO SUPPLY RADIO AND MULTIPLEX EQUIPMENT FOR THE
NATIONAL TRANSMISSION SYSTEM

REF: STATE 124730

1. JOE CROSS, EXEC VP, WESTERN ELECTRIC INTERNATIONAL
(WEI) AND HENRY WILLIAMS, DIRECTOR - PUBLIC AFFAIRS,
AT&T CALLED SEPARATELY AF/W DIRECTOR OF STATE AND
ASSISTANT SEC COMMERC DEAN MORAN AUGUST 15 TO DISCUSS
FULLY THE WEI BID AND THE CURRENT STATUS OF THE PROJECT
AS WELL AS TO SEEK ADDITIONAL USG SUPPORT FOR WEI'S BID.

2. JOE CROSS (WHO WILL BE BACK IN LAGOS AUGUST 20) EX-
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 209398

PLAINED THAT WEI WAS EVALUATED FIRST BOTH IN TECHNICAL
AND MANAGERIAL AREAS. WEI'S TOUGHEST COMPETITOR WILL
BE MARIBENI (NEC) OF JAPAN WHOSE BID IS APPROXIMATELY
15 PERCENT LOWER THEN WEI'S. CROSS DID INDICATE,
HOWEVER, THAT MARIBENI MAY NOT BE ABLE TO MAKE THE
18 MONTH TIMETABLE AND MAY HAVE TO NEGOTIATE TO DO
SO THEREBY INCREASING ITS PRICE. THE ITT NIGERIA BID

(ALTHOUGH 34 MILLION NAIRA ABOVE WEI) HAS A STRONG POSITION IN THAT CHIEF ABEOLLA, GENERAL MANAGER ITT

NIGERIA HAS AN ESTABLISHED POWER BASE. ITT IS DOING A SWITCHING CONTRACT THERE NOW, AND WEI STATES THAT VARIOUS MILITARY OFFICIALS ARE ITT STOCKHOLDERS. ITT WOULD SOURCE ITS EQUIPMENT FROM BELGIUM. THE ONLY OTHER US FIRM BIDDING IS GTE WHICH IS SOURCING ITS EQUIPMENT FROM ITALY. WEI WILL SOURCE \$179 MILLION WORTH OF ITS EQUIPMENT OF TOTAL BID OF \$270 MILLION FROM US. (THIS INFO APPARENTLY OBTAINED DURING BID OPENING AND APPEARS TO BE GENERAL KNOWLEDGE. EMBASSY SHOULD ATTEMPT VERIFY.)

3. STATE AND COMMERCE SUGGEST CONGER/JELLEY MAKE REPRESENTATIONS TO THE P AND T EXPRESSING STRONG INTEREST OF USG IN SEEING THIS CONTRACT GO TO A US FIRM. POINTS TO BE COVERED:

(A) MAIN POINT IS THAT IN VIEW OF OBASANJO'S OFT-REPEATED REQUEST TO SEE MORE US FIRMS IN NIGERIA AND IN VIEW OF EXCELLENT EVALUATIONS RECEIVED BY WESTERN AND FACT THAT WESTERN HAS A NIGERIAN PARTNER AND A GOOD TRAINING PACKAGE, THE SELECTION OF THIS FIRM WOULD BENEFIT BOTH NIGERIA AND THE US.

(B) WESTERN IS BIDDING ON ALL FIVE ZONES AND ALL FIVE AREAS, AND ON THE COAXIAL CABLE AND HAS STATED THAT IT CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 209398

COULD COME UP WITH A SUPERVISORY ALARM SYSTEM ALTHOUGH IT DID NOT ACTUALLY INCLUDE ONE IN ITS BID. WEI STATES THAT THE PURCHASE OF ALL THIS EQUIPMENT FROM ONE SUPPLIER WILL BE AN ENORMOUS ADVANTAGE TO THE NIGERIANS IN THAT THEY WILL NOT RUN INTO EQUIPMENT OR SYSTEM INTERFACING PROBLEMS WHICH COULD COME UP IF SEVERAL SUPPLIERS ARE CHOSEN. IF P AND T TELLS EMBASSY THAT ALL BIDDERS CONFORMED TO CCITT STANDARD, EMBASSY SHOULD RESPOND THAT THIS IS NOT REALLY A SPECIFICATION BUT ONLY A RECOMMENDATION AND AS SUCH THERE WILL BE VARIOUS WAYS TO COMPLY AND NOT ALL COMPLYING FIRMS WILL BE COMPATIBLE. (CCITT STANDS FOR CONSULTATIVE COMMITTEE ON INTERNATIONAL TELEPHONE AND TELEGRAPH.)

FYI: EMBASSY SHOULD STRESS WESTERN'S INTEREST IN ALL OR AT LEAST MOST OF THE SECTORS BEING AWARDED TO THEM BECAUSE WESTERN FEELS THAT IT WOULD BE DIFFICULT TO MAKE A PROFIT WITH ONLY ONE CONTRACT. END FYI.

(C) EMBASSY CAN ALSO STATE ON WESTERN'S BEHALF THAT FIRM SEES THIS PROJECT AS BEGINNING OF LONG TERM ACTIVITY IN NIGERIA IN THAT IT IS DESIROUS OF DOING SOME OF THE LARGER SWITCHING CONTRACTS THAT WILL BE COMING UP IN 1980 OR THEREABOUTS. WESTERN IS CURRENTLY DISCUSSING WITH ITS

NIGERIAN PARTNER THE ESTABLISHMENT OF A MANUFACTURING
SUBSIDIARY IN NIGERIA. THIS IS, OF COURSE, HEAVILY
CONTINGENT UPON THE AWARD OF THIS PROJECT.

4. FYI: CONGER MAY WISH TO ADVISE JELLEY OF 1973 TAIWAN
TELECOMMUNICATIONS CASE IN WHICH EMBASSY WAS INSTRUCTED
BY STATE/COMMERCE TO TILT IN FAVOR OF FIRM WITH
GREATEST US EXPORT CONTENT. END FYI. VANCE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 17 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE209398
Document Source: CORE
Document Unique ID: 00
Drafter: JPHILBRICK:HMN
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780337-0171
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780852/aaaabrgs.tel
Line Count: 124
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: bd0e7061-c288-dd11-92da-001cc4696bcc
Office: ORIGIN COME
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 STATE 124730
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1705455
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT: WESTERN ELECTRIC INTERNATIONAL'S BID TO SUPPLY RADIO AND MULTIPLEX EQUIPMENT FOR THE NATIONAL TRANSMISSION SYSTEM
TAGS: BENC, NI
To: LAGOS
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/bd0e7061-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014